Prepared in Division of Information
Agricultural Adjustment Administration
U.S. Department of Agriculture
Washington, D.C.
September 1936

THE 1933 EMERGENCY HOG-MARKETING PROGRAM

The 1933 Emergency Hog-Marketing Program was planned and inaugurated by the Agricultural Adjustment Administration in August 1933 at the instance and with the cooperation of representatives of corn and hog producers throughout the country.

It removed from the market an existing oversupply of hogs which had forced farm prices down to an average of $3.98 per hundredweight in July, 1933; it prevented the accumulation of a further oversupply that threatened a disastrous glut when the 1933 spring pig crop moved to market late in 1933 and early in 1934; it helped to maintain returns to producers higher than they otherwise would have been; it yielded 97,531,000 pounds of dry salt pork that was distributed through relief channels; and it saved some 60 million bushels of corn that was used in 1934 and 1935 to maintain hog numbers and the pork supply when the 1934 drought had cut the national corn crop by more than a billion bushels, or almost in half.

In January 1933 the buying power of the farmer's return from 100 pounds of live hog was only 36.5 percent of what it had been in the pre-war period 1909-1914. The national average farm price of hogs was $2.68 per hundredweight. Farmers were having to feed and sell practically three times as many hogs to exchange for the commercial goods they bought, as they had had to do in the pre-war period.

Oversupply of hogs was not the only reason. Ability of consumers to buy is an important factor in the prices of hogs and of pork, and in 1933 the consumers' buying power was very low. It was low in part because the farmer, getting $2.68 per hundredweight for his hogs, could not buy city goods and services and keep up city employment.

Under the emergency program there were purchased from farmers in 41 states, at a cost of $30,643,102, a total of 6,410,866 animals, as follows: 5,105,067 light pigs, 1,083,650 heavy pigs, and 222,149 sows.

Every sow and every pig was processed. None was destroyed without being processed. The work was done by authorized plants at 80 points. All edible product that could be derived from these animals was turned over for relief distribution. Pigs which on account of their small size could not be processed into dry salt pork were rendered into grease and fertilizer tankage. In addition to the 97,531,000 pounds of dry salt pork, there were obtained 21 million pounds of inedible grease and 5,043 tons of fertilizer, which were sold to commercial bidders for $604,318.68. Only such fertilizer was destroyed as could not, for mechanical reasons, be salvaged.

The program did not make pork scarce and high priced in 1935.

Pigs purchased under the program would normally have gone to market in 1933 and very early in 1934.

In 1933 the number of hogs slaughtered under Federal supervision was only 1/3 of one percent smaller than in 1932 and in 1934. Federally inspected slaughter was only 1/6 of one percent less than in 1932.

Cold storage holdings of pork in the United States in 1933 were within 2 percent of what they had been in 1932 and in 1934 they were only 3 1/3 percent lower than they had been in 1932 before the emergency marketing program had even been contemplated. In spite of the removal of pigs in 1933 the drought of 1934 forced so large a number of hogs on the market that the average farm price for 1934 was only $3.57 per hundredweight as compared with $3.98 in 1933.

It was not until the feed shortage caused by the drought of 1934 reached its full effect in 1935 that Federally inspected slaughter dropped to 75 percent of the 1932 level and cold storage holdings of pork dropped to 73 percent of the 1932 figure.

Prices received by farmers for their hogs in 1935 averaged $8.40 per hundredweight and the ability of farmers to buy city goods and services rose in proportion to the increase in their income.

Had the pigs removed from the regular market in 1933 been finished out and sold at the usual time it is estimated that they would have brought somewhere around $2.50 a hundredweight instead of the average of $3.60 which farmers did receive in early 1934.

Furthermore, they would have eaten 60 million bushels of corn which it was possible, because of the marketing program, to carry over into the drought year 1934 and feed to hogs that otherwise would have been forced in unsatisfactory condition for slaughter on a disastrously glutted market.

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